

**DAVID M. REAUME, ECONOMIST**

678 N. SCANDIA PARKWAY  
CAMANO ISLAND, WA. 98282

Tel: (360) 387-0760

1-877-586-9677

Fax: (360) 387-7649

e-mail: [dmrecon@camano.net](mailto:dmrecon@camano.net)

Mark Choate, Attorney At Law  
Choate Law Firm LLC  
424 N. Franklin Street  
Juneau, Alaska 99801

September 11, 2008

Mr. Choate:

You asked me to calculate interest at an annual rate of 7.75 percent through September 15, 2008 on annual losses awarded in the matter of Myrna Johnson v. Fred Meyer (1JU-04-008 CV). The following table shows the annual losses and the cumulative interest associated with each annual loss. Annual losses were dated July 1 of each year. Compounding was at an annual rate.

YEAR	LOSS	INTEREST
2002	\$ 20,000	\$ 11,796
2003	20,000	9,509
2004	36,000	13,296
2005	36,000	9,750
2006	36,000	6,460
2007	36,000	3,406
2008	24,000	392
TOTAL	\$208,000	\$ 54,609

I chose to make the calculation using compound interest because plaintiff was without the use of funds, including interest, for the entire time period. For example, had the first year's loss been paid one year after it was incurred, plaintiff would have received both principal and interest. That first-year interest could have been invested. Thus plaintiff has lost the ability to re-invest the interest, a problem that is mitigated by the payment of compound interest. If the law nevertheless requires a simple interest calculation, the corresponding amount is \$ 48,352.

I have attached a current C.V. If you have any questions please call me at the number shown above.

*David M. Reaume*

David M. Reaume, Ph.D.

Attachment A  
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***Curriculum Vitae***  
**DAVID M. REAUME**

**Mailing Address:** 678 North Scandia Parkway  
Camano Island, Washington 98282  
Phone: (360) 387-0760  
1-877-586-9677  
FAX: (360) 387-7649  
Email: dmrecon@camano.net

**Education**

B.S. Economics, University of Maryland, 1969  
M.A. Economics, Harvard University, 1971  
Ph.D. Economics, Harvard University, 1974

**Professional Memberships**

American Economic Association

**Experience**

Present	Consulting Economist; Columnist, <u>Anchorage Daily News</u> .
January 1988 to May 1995	Associate Professor, University of Alaska Southeast; President, Alaska Economics, Incorporated, Columnist, <u>Anchorage Daily News</u> .
June 1980 to January 1988	President, Alaska Economics, Incorporated. Columnist, <u>Anchorage Daily News</u> .
February 1977 to June 1980	Principal Economist, State of Alaska, Department of Commerce and Economic Development. Developed and managed the Alaska Economic Information and Reporting System. Authored the AEIRS Quarterly Report.
April 1974 to February 1977	Senior Economist, Data Resources, Inc., Washington, D.C. Engaged in Contract Research and Economic Forecasting.
September 1972 April 1974	Economist, Government Finance Section, Board of Governors of the Federal Reserve System. Responsible for forecasts of Federal tax collections. Advisor on Tax Policy.

**Teaching Experience**

Spring, Summer 1969: University of Maryland, Principles of Economics.  
Summer 1971 through Spring 1972: Harvard University, Principles of Economics.  
School years 1977, 1983, 1986-1995: University of Alaska Southeast;  
Mathematics, Economics, Statistics.

**Research Published in Professional Journals/Compendiums**

"The Educational Attainment of Military and Civilian Labor Forces." D.M. Reaume, and Walter Y. Oi, in Studies Prepared for the President's Commission on an All-Volunteer Armed Force, November 1970, Volume 1, pp. 1-3-1 to 1-3-23.

"Cost Benefit Techniques and Consumer Surplus: A Clarificatory Analysis, "Public Finances, Finances Publiques, Volume XXVII, November 1973.

"Short-Run Corporate Tax Shifting by Profit Maximizing Oligopolists," Public Finance Quarterly, January 1976.

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"Forecasting State Income Tax Collections: A New Approach," Public Finance Quarterly, January 1978

"Forecasting State Income Tax Revenue: Review and Report," Proceedings of Conference of the Society of Government Economists held in San Juan, Puerto Rico, April 1976.

"Defining Real Income for Tax Purposes, or Should Only Capital Gains be Indexed?" Tax Notes-Special Report, December 25, 1978. (A Publication of Tax Analysts and Advocates, Washington, D.C.)

"Migration and the Dynamic Stability of Regional Econometric Models," Economic Inquiry, Journal of Western Economic Association, April 1983.

"Ten Years of Struggle on the Horizon," in Alaska's Future, Commentary on a Delphi Perspective, Eschenbach & Geistauts (eds.) (Alaska Pacific University Press, Anchorage) 1985.

Review of REGIONAL ECONOMIC MODELLING: A SYSTEMATIC APPROACH TO ECONOMIC FORECASTING AND POLICY ANALYSIS by George Treyz, Journal of Economic Literature, September 1994

"Walras, Complexity and Non-Walrasian Macroeconomics," in BEYOND MICROFOUNDATIONS: POST WALRASIAN MACROECONOMICS, D. Colander (ed.), (Cambridge University Press, New York) 1996.

"Economic Losses From Terminated Employment: Comment," JOURNAL OF LEGAL ECONOMICS, Spring/Summer 1998, pp. 89-93

"The Contemporary and Future Alaska Economy: Prospects for Economic Development and Diversity," in ALASKA PUBLIC POLICY ISSUES: BACKGROUND AND PERSPECTIVES, C. Thomas editor, (Denali Press, Juneau, Alaska) 1999

"Nonmarket Services: An Offset in Certain Cases," JOURNAL OF LEGAL ECONOMICS, Spring/Summer 1999, pp.21-30

Comment: "Comparing benefit costs for full and part-time workers," MONTHLY LABOR REVIEW, July 1999, p. 45

#### **Other Papers**

"The Short Run Economics of Loyalty Bonuses," August 1995.

"Second Order  $\neq$  Small" June 2002

"Consumption of the Deceased: A Cross Section Time Series Model," May 2004

#### **Research Other Than Northern Economics**

"Production Functions, Demand Functions and the Incidence of the Corporation Income Tax, New York, December 1973.)

"The Economy, Pre-Embargo, Post-Embargo" prepared for the U.S. Federal Energy Office, June 1974.

"The Economic Impact of Alternative Fiscal/Energy Programs on the New England Economy," prepared for the New England Regional Commission, April 1975.

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"Financing PL 92-500," a study of the fiscal position of individual state and local governments, prepared for the National Commission on Water Quality, September 1975.

"New York City Default: Some Economic Implications," prepared for the U.S. Library of Congress, December 1975 (with F. Ripley, R. Carney and D. Leahigh).

"A Model of North Carolina State Tax Revenue," prepared for the State of North Carolina, Office of State Planning, April 1976.

"Modeling the Wisconsin Homestead Credit," prepared for the State of Wisconsin, Department of Revenue, April 1976.

"A Simple, Annual Fiscal Year Model of Selected New York City Taxes," prepared for the U.S. General Accounting Office, June 1976.

"Massachusetts Tax Revenue Through 1980: An Econometric Analysis," prepared for the American Federation of State, County and Municipal Employees (AFSCME), August 1976.

"The Wisconsin State Tax Forecasting Model," prepared for the State of Wisconsin, Department of Revenue, August 1976.

"Can Small Deviations From Rationality Make Significant Differences to Economic Equilibria: Comment," August 1992. (Presented at Eastern Economic Association Meetings, March 1994, Boston.)

"OPEC Pricing Strategy After the Gulf War," October 1992. (Presented at July 1993 meetings of the Western Economic Association.)

"The Buffalo Economic Outlook," a study of the cost of doing business in the Buffalo Area, prepared for Taft Broadcasting Company, Cincinnati, Ohio, December 1976.

#### **Selected Research on Northern Economics**

"The Alaska Quarterly Economic Forecasting Model," June 1977, updated March 1981, Alaska Office of the Governor, Division of Budget and Management.

"The Alaska Policy Planning Model," a paper presented at the Western Economic Association's annual meeting, June 1977.

"Alaskan Financial Planning and the Permanent Fund," a paper presented at the Western Economic Association's annual meeting, June 1978.

"Alaska Regional Cost of Living Differentials," a report to Collins, Weed, and Associates, Anchorage, Alaska, July 1980.

"The Anchorage Economy, 1980-1995, A Forecast," prepared for Landmark Research Incorporated, Madison, Wisconsin, October 1980.

"Quarterly Report of the Alaska Economic Information and Reporting System," prepared quarterly October 1977 through July 1981 for Alaska Office of the Governor, Division of Budget and Management.

"An Evaluation of the Economic and Social Impacts of the State Second Beaufort Sea Oil and Gas Lease Sale," April 1981, with Dames and Moore Consultants, Anchorage, Alaska, Prepared for the Alaska Office of the Governor.

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"Economic and Technology Assessment for Proposed Oil and Gas Lease Sale in Norton Sound," November 1981, with Dames & Moore Consultants, Anchorage, prepared for the Alaska Office of the Governor.

"Alaska Native Hire on ANGTS," a report prepared for the Alaska Department of Labor, Research and Analysis Section, June 1981.

"The Nome Annexation Study," a report defining the optimal boundaries of the City of Nome, Alaska, prepared for the Alaska Department of Community and Regional Affairs, September 1981.

"The Alaskan IMPLAN models," a discussion of the structure and theoretical content of eighteen regional Alaska input-output models, prepared for the U.S. Department of Agriculture, Forest Service, March 1982.

"Economic and Energy Load Forecast, City of Kake, Alaska," prepared for the Alaska Power Authority under subcontract to Ebasco Services Ltd., June 1982.

"The Demand for the Juneau Pioneers' Home," prepared for the Alaska Department of Transportation and Public Facilities, December 1982.

"The Conditional Demand for Natural Gas in Fairbanks, Alaska." prepared for the Alaska Power Authority under sub-contract to Ebasco Services, Ltd., December 1982.

"The Yukon Economic, Cohort-Survival and Energy Models," prepared for the Yukon Department of Economic Development, May 1983.

"Economic Growth in Yukon, 1983 to 2003." prepared for the Yukon Department of Economic Development the Yukon River Basin Study Committee, December 1983.

"Yukon SEIAN Socioeconomic Impact Model," prepared for the Yukon Department of Mines and Small Business, March 1985.

"Demand for Alaska Wood Products: History and Prospects," prepared for the Wilderness Society Southeast Project, June 1985.

"The Economic Impact of the Kiewit and Monenco-Interlog Projects on the Yukon Economy," prepared for the Yukon Benefits Committee, August 1985.

"Economies of Scale in Alaska Wood Products Industries," prepared for the Office of Forest Products, Alaska Department of Commerce and Economic Development, February 1986.

"An Economist's View of Fairness in Harvest Allocations," prepared for Southeast Alaska Seiners Association, December 1987.

"Juneau Public Schools Enrollment Forecast," prepared for Juneau Board of Education, January 1988, 1989-1995, 2000-2002.

"Alaska Economic Report," a five year forecast prepared quarterly, October 1989 through July 1991 for Pacific Telecom, Inc.

"Alaska's 5-Year Economic Outlook," report prepared for general distribution, January 31, 1996

"Alaska's Fiscal Problem," an analysis of Alaska's long term fiscal future, a report prepared for a consortium of labor unions, March, 1996

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"An Alaska Tax On Foreign Flagged Ships and Aircraft: A Critical Analysis," a report prepared for the North West Cruiseship Association, March, 1997

"A New Salmon Management Scheme," prepared for the Alaska Commercial Fishing and Agricultural Bank, February 1998

"Local Area Economic Impact of the Greely Correctional Center," prepared for Allvest, Inc. December 1998

"ANILCA is Not the Main Problem," commentary prepared at the request of THE ALASKA MINER, April 2000

#### **Forensic Economics**

Over twenty years of experience testifying in the following areas: wrongful death, personal injury, wrongful discharge, regulatory economics and business evaluation. References and a list of cases in which I have testified or been deposed are available upon request.